

This document includes:
Background Information,
Quick Facts, Frequently
Asked Questions and Links
to more information
about [House Bill 7005](#)
sponsored by the
[Economic Development &
Tourism Subcommittee](#)
chaired by [Representative
Holder](#).

Quick Facts:

11.1%: Current
Unemployment Rate

504,224: Total number of
Floridians currently
receiving unemployment
benefits

\$275: Maximum weekly
benefit available

30.1: Percent of claimants
who receive the maximum
weekly benefit amount for
claims that began fiscal
year 2010

19: Average Number of
benefit weeks for fiscal
year 2010

5/18/2011

OPI Pulse: Unemployment Compensation CS/CS/HB 7005

Background:

Unemployment Compensation is a federal-state partnership that provides benefits to individuals who are unemployed. It is administered under Florida state law. Unemployment Compensation acts as a temporary, partial wage replacement to the unemployed. The program helps keep the economy stable by helping consumers maintain their ability to purchase necessities such as food, shelter and clothing. Florida's Unemployment Compensation system is funded by Florida businesses which pay a state unemployment tax as well as a federal unemployment tax.

Issue at a Glance:

House Bill (HB) 7005 was introduced in the House Economic Development & Tourism Subcommittee. The bill, later titled CS/CS/HB 7005, passed the Florida House on May 4, 2011, with a vote of 86-31 and then passed the Senate on May 6, 2011, with a vote of 27-11. CS/CS/HB 7005 returned to the House through messages and passed later that day with a vote of 80-38. Proponents of the recently passed legislation contend the economic downturn has illuminated the weaknesses of Florida's Unemployment Compensation system which is currently structured as a pay-as-you-go system. The system's current design allows Unemployment Compensation payroll taxes to remain low during stable employment periods, and raises them during periods of economic stagnation, resulting in high benefit payouts. Proponents of the bill, including representatives of Florida's business community, have raised the following concerns with the current system:

- Forces the state to borrow from the federal government because Florida's trust fund was overwhelmed by the high volume of benefit payouts;
- Fosters instability in the system because tax rates and collections can be dramatically higher for several years; and
- Depends on continued improvement in employment.

What the Bill Does:

CS/CS/HB 7005 proposes changes to Florida's Unemployment Compensation system including:

- Establishing an effective date of January 1, 2012, for reducing the number of available state benefit weeks from 26 to 23 and the number of available state benefit weeks is tied to the unemployment rate on a sliding scale (For example, if the unemployment rate is 5 percent or lower, the number of available weeks is 12, and if the unemployment rate is 10.5 percent or higher, the number of available weeks is 23).
- Requiring a claimant to complete an initial skills review through an online education or training program once he or she is found eligible for state benefits. The results are reported to the workforce system for further assistance, if needed.

***Representative John Legg
Speaker pro tempore***

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Additional Resources:

[CS/CS/HB 7005
Unemployment
Compensation](#)

[Bill Analysis of CS/CS/HB
7005](#)

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- Requiring a claimant to actively seek work through at least five work search activities a week or report in-person to a One-Stop Career Center to meet with a representative for reemployment services each week in order to receive state benefits.
- Allowing claimants to receive benefits only through electronic means such as electronic funds transfer or a debit card effective August 1, 2011. All future benefit claims must be made through the Internet.
- Allowing for federally-funded extended benefits to be drawn down to the unemployed in order to match state law to federal law changes;
- Revising the legal standard for determining employee misconduct and specifying certain forms of misconduct such as chronic absenteeism or violation of an employer's rules.
- Effective August 1, 2011, a claimant is disqualified from benefits for any week in which the individual receives severance pay from an employer.
- Revising employee benefit disqualification related to committing a crime so that the crime does not have to be punishable by imprisonment in order for benefits to be impacted. A claimant in prison is also disqualified from benefits while in prison.
- Excluding evidence that is irrelevant or repetitious and allowing certain hearsay evidence under certain circumstances in an appeal.
- Allowing a claimant to file an appeal of an order by the Unemployment Appeals Commission in the district court of appeal where the claimant resides, where the business was located or where the order was issued.
- Revising employer benefit ratio calculation downward 10 percent starting in 2012.
- Allowing employers to have the option to pay their Unemployment Compensation taxes in installments over the course of the year in 2012, 2013 and 2014.

Unemployment Compensation: Frequently Asked Questions

What is Unemployment Compensation and what does it do?

Unemployment Compensation is a federal-state partnership that is administered under state law. The purpose of Unemployment Compensation is to act as temporary, partial wage replacement to the unemployed. Unemployment Compensation benefits help to keep the economy stable by assisting consumers in maintaining the ability to purchase the necessities of life such as food, shelter and clothing.

How long has Florida had an Unemployment Compensation program?

Florida's Unemployment Compensation program was created by the legislature in 1937 as part of the national unemployment insurance system.

I can't find a job. Can I file for Unemployment Compensation?

Anyone who is currently unemployed or partially unemployed due to no fault of their own can file a claim for Unemployment Compensation.

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Want to Learn More?

[The Florida House of Representatives](#)

[Agency for Workforce Innovation](#)

[United States Department of Labor](#)

Who is eligible for the Unemployment Compensation program?

To be eligible for benefits, jobless workers must be ready, willing and able to work. In addition, the jobless worker must be actively seeking employment. To further determine whether you are eligible to file a claim please visit, the [Agency for Workforce Innovation](#).

How is Unemployment Compensation funded?

Florida employers pay Unemployment Compensation taxes. Employers pay a state unemployment tax as well as a federal unemployment tax. The state tax pays for Unemployment Compensation benefits to unemployed Floridians. The federal tax pays for the cost of administering the Unemployment Compensation program, job service programs and some of the extended unemployment benefits.

How long can someone receive Unemployment Compensation benefits right now?

State benefits range from a minimum of \$32 to a maximum weekly benefit amount of \$275 for up to 26 weeks, depending on the claimant's length of prior employment and wages earned. Once a claimant has exhausted their state claim, four Federal Tiers and a period of federally funded extended benefits are available, up to an additional 73 weeks. Beginning January 1, 2012, the number of available state benefit weeks will be reduced from 26 to 23 weeks.

Where can I go to find out more information about Unemployment Compensation in Florida?

The Agency for Workforce for Innovation (AWI) is Florida's lead workforce agency and directly administers Unemployment Compensation within the state. To contact AWI concerning Unemployment Compensation, please visit the [Agency for Workforce Innovation](#).

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